

Message Text

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12

ACTION EB-11

INFO OCT-01 ARA-11 EUR-25 EA-11 IO-12 ADP-00 AGR-20 CEA-02

CIAE-00 COME-00 DODE-00 FRB-02 H-02 INR-10 INT-08

L-03 LAB-06 NSAE-00 NSC-10 PA-03 RSC-01 AID-20

CIEP-02 SS-14 STR-08 TAR-02 TRSE-00 USIA-12 PRS-01

SAL-01 OMB-01 AF-10 NEA-10 RSR-01 /220 W

----- 052034

R 290940 Z MAR 73

FM USMISSION GENEVA

TO SECSTATE WASHDC 8533

INFO AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

USMISSION EC BRUSSELS UNN

USMISSION OECD PARIS UNN

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E. O.11652 N/A

TAGS ETRD, GATT

SUBJ GATT: CTIP WORKING GROUP IV- QRS INCLUDING EMBARGOES AND ERS

REF TSC 73-21

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BEGIN SUMMARY: THREE- DAY MEETING REHASHED EC AND US POSITIONS FROM 1970 WITHOUT MAKING ANY PROGRESS TOWARD DEVELOPING SOLUTIONS TO PROBLEMS OF QUOTA RESTRICTIONS (QRS) AND EXPORT RESTRAINTS (ERS). UNLIKELY THIS SUBJECT CAN BE SERIOUSLY TREATED EXCEPT IN CONTEXT OF SAFEGUARD RULES. END SUMMARY

1. CHAIRMAN (COLLIANDER) LAUNCHED WG ON DRAFTING EXERCISE TO DEVELOP CONTRACTUAL TEXT PROVIDING FOR REDUCTION/ ELIMINATION OF QRS. IT BECAME READILY APPARENT THAT NOT MAJOR PARTICIPANT (INCLUDING JAPAN, WHICH HAD REQUESTED MEETING) WAS PREPARED TO DEPART FROM 1970 POSITIONS AT THIS TIME. RESULT WAS PAPER CONTAINING PARALLEL TEXTS REFLECTING US AND PREVIOUS EC POSITIONS SUPPORTED IN VARYING DEGREES BY OTHER DELS.

2. US (KELLY) PROPOSED TEXT, SECONDED BY CANADA, FOR REMOVAL OF ILLEGAL QRS BY BEGINNING OF MTN OR PAYMENT OF COMPENSATION. SEVERAL OTHER DELS, INCLUDING SOME LDCS, SUPPORTED THIS IDEA, BUT QUESTIONS RAISED ABOUT MEANING OF " ILLEGAL." TEXT ALSO PROVIDES THAT QRS INCONSISTENT WITH GATT BUT LEGAL UNDER WAIVERS OR PROTOCOLS OF ACCESSION WOULD BE SUBJECT TO NEGOTIATION IN MTN. JAPAN AND ISRAEL PROPOSED THIS TEXT ALOS APPLY TO ERS, BUT ALL REFERENCES TO ERS APPEAR IN BRACKETS.

3. EC (DUGIMONT) INITIALLY SUPPORTED ALTERNATIVE CLOSELY CORRESPONDING TO ITS VAGUE 1970 POSITION BUT THEN RESERVED ON ENTIRE PAPER AT FINAL SESSION. SWITZ ALSO SUPPORTED THIS ALTERNATIVE, WHICH SIMPLY PROVIDES FOR GRADUAL LIBERALIZATION OF QRS AND ERS IN MTN CONTEXT, WITHOUT REGARD TO LEGAL STATUS OR CONSISTENCY WITH GATT. IN CONTRAST TO US VERSION, TEXT WOULD REQUIRE ACTION ONLY BY DCS.

4. TWIN TEXTS WILL ACCOMPANY SECRETARIAT PROGRESS REPORT TO NEXT CTIP MEETING. REPORT WILL CONTAIN US SUGGESTION THAT PROGRESS ON ERS AND MANY QRS CAN PROBABLY ONLY BE MADE IN LATER CONSIDERATION OF SAFEGUARD QUESTION. CHAIRMAN SUGGESTED THAT WG MIGHT MEET AGAIN IN EARLY SUMMER FOR MORE COMPLETE DISCUSSION OF ERS AND FURTHER REVIEW OF TEXTS.

5. COMMENT: AS CHAIRMAN NOTED IN CLOSING SUMMARY, SCOPE LIMITED OFFICIAL USE

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OF DISCUSSION WAS LIMITED BY IMPENDING MTN AND BY DISCUSSION OF SAFEGUARDS AND TEXTILES IN SEPARATE FORUMS.

STATED MORE BLUNTLY, MEETING WAS SHADOW- BOXING EXERCISE AS
NO MAJOR DELEGATION WAS PREPARED FOR SERIOUS DISCUSSION OF
QRS AT THIS STAGE. EC HAD NO CONSTRUCTIVE POSITION, US
POSITION WAS CLEARLY UNACCEPTABLE TO EUROPEANS, AND JAPANESE
CONFESSED THEY HAD RECEIVED " CONFUSED" INSTRUCTIONS. ACTIVE LDCS
HAD LITTLE IMPACT BUT REFRAINED FROM POLEMICS AND DID NOT
PUSH PREFERENTIAL SOLUTIONS. USDEL SEES NO POINT IN
CONVENING THIS GROUP AGAIN UNTIL SAFEGUARDS WORK HAS
PROGRESSED SIGNIFICANTLY. RIMESTAD

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*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
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Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
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30 JUN 2005

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